Manitoba

# Annual Report 1989

## Public Investments Corporation of Manitoba

91-01329/

# PUBLIC INVESTMENTS CORPORATION OF MANITOBA

509 — 428 Portage Avenue, Winnipeg, Manitoba R3C 0E2 (204) 945-5728

Winnipeg, March 6, 1990

To His Honour
The Honourable George Johnson
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the honour to submit the Annual Report of the Public Investments Corporation of Manitoba for the fiscal period ending June 30, 1989.

Respectfully submitted,

Clayton Manness

Honourable Clayton Manness
Minister responsible for
Public Investments Corporation of Manitoba

# ANNUAL REPORT

## PUBLIC INVESTMENTS CORPORATION OF MANITOBA

## FOR THE FISCAL PERIOD ENDING JUNE 30, 1989

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## BOARD OF DIRECTORS

| | |
|---|---|
| Honourable Clayton Manness | Chairperson |
| Honourable James Ernst | |
| Honourable James Downey | |
| Honourable Harold Neufeld | |
| Honourable Glen Findlay | |

## MANAGEMENT OF THE CORPORATION

Stephan R. Barg, President and Chief Executive Officer

## PUBLIC INVESTMENTS CORPORATION

## OF MANITOBA

### CORPORATE PROFILE

The Manitoba legislature established the Public Investments Corporation of Manitoba through Part II of The Crown Corporation Accountability Act, assented to on July 17, 1987 and proclaimed into force September 1, 1987.

The legislated objects of the Corporation are:

a) to advise the Lieutenant Governor in Council on matters relating to designated Crown corporations and designated activities of any other Crown Corporations, boards, commissions, agencies or like bodies;

b) to give direction as to matters of policy to designated Crown corporations and designated activities of any other Crown corporations, boards, commissions, agencies or like bodies;

c) to monitor the results of any designated Crown corporations, boards, commissions, agencies or like bodies.

### 1989 ACTIVITIES

In December 1988, The Crown Corporations Public Review and Accountability and Consequential Ammendments Act was passed by the Manitoba Legislature and received Royal Assent. This Act was proclaimed and fully effective on June 30, 1989. Pursuant to this Act, the Corporation's affairs were closed out effective June 30, 1989. In accordance with Section 30 of the Act, the assets and liabilities have been transferred to Her Majesty under the administration of the Minister of Finance.

## DESIGNATED CROWN CORPORATIONS

A.E McKenzie Co. Ltd.

Channel Area Loggers Ltd.

Communities Economic Development Fund

Manfor Ltd. (divested — May 4, 1989)

Manitoba Data Services

Manitoba Development Corporation

Manitoba Energy Authority

Manitoba Hazardous Waste Management Corporation

Manitoba Hydro-Electric Board

Manitoba Liquor Control Commission

Manitoba Mineral Resources Ltd.

Manitoba Oil and Gas Corporation (divested — December 30, 1988)

Manitoba Public Insurance Corporation

Manitoba Telephone System

Moose Lake Loggers Ltd.

Venture Manitoba Tours Ltd.

Manitoba

## THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

## REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of financial position of The Public Investments Corporation of Manitoba as at June 30, 1989 and the statement of expenses and recoveries for the period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Public Investments Corporation of Manitoba as at June 30, 1989 and the results of its operations for the period then ended in accordance with the accounting policies described in note 2 to the financial statements, on a basis consistent with that of the preceding year.

F.H. Jackson, C.A.
Provincial Auditor

January 8, 1990
Winnipeg, Manitoba

## THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

**Statement of Financial Position**
**As at June 30, 1989**

| ASSETS | June 30 1989 | December 31 1988 |
|---|---|---|
| Cash | $ 299 | $ 341,711 |
| Accounts receivable | 5,724 | 91,130 |
| Assessments receivable | 175,981 | 82,767 |
| Furniture and equipment, note 3 | 40,402 | 32,947 |
| **TOTAL ASSETS** | $ 222,406 | $ 548,555 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities: | | |
| Province of Manitoba, note 4 | $ 222,406 | $ 521,634 |
| Other | — | 26,921 |
| **EQUITY** | | |
| Share capital, note 5 | — | — |
| **TOTAL LIABILITIES AND EQUITY** | $ 222,406 | $ 548,555 |

The accompanying notes are an integral part of these financial statements.

## THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

### Statement of Expenses and Recoveries

**EXPENSES**

| | 6 Months Ended June 30, 1989 | 12 Months Ended December 31, 1988 |
|---|---|---|
| Personnel | $ 120,663 | $ 270,572 |
| Occupancy | 12,532 | 25,317 |
| Professional services | 4,601 | 9,803 |
| Office administration | 4,361 | 22,994 |
| Travel | 2,198 | 7,587 |
| Finance | 26,376 | 23,288 |
| Other | 79 | 10,261 |
| Depreciation | 5,171 | 7,438 |
| **TOTAL EXPENSES** | $ 175,981 | $ 377,260 |
| **RECOVERABLE FROM CROWN CORPORATIONS** | $ 175,981 | $ 377,260 |

The accompanying notes are an integral part of these financial statements.

## THE PUBLIC INVESTMENTS CORPORATION OF MANITOBA

Notes to Financial Statements
June 30, 1989

### 1. Status and objects of the Corporation

The Public Investments Corporation of Manitoba was established effective September 1, 1987, by The Crown Corporation Accountability Act. The legislation established a framework for the supervision of designated Manitoba Crown corporations and their accountability. The Corporation was created to give direction on matters of policy and to monitor the operations of designated Crown corporations. In these notes designated Crown corporations means those Crown corporations, boards, commissions, agencies or like bodies scheduled in the Act.

In December 1988, The Crown Corporations Public Review and Accountability and Consequential Amendments Act was passed by the Manitoba Legislature and received Royal Assent. This Act was proclaimed and fully effective on July 1, 1989. Pursuant to this Act, the Corporation's affairs were closed out effective June 30, 1989. All rights and obligations of the Corporation were deemed to belong to her Majesty effective July 1, 1989.

### 2. Significant accounting policies

a) General

The financial statements have been prepared in accordance with generally accepted accounting principles, except for the accounting for pensions and recoveries from designated Crown corporations, as set out in notes 2 b and c.

b) Pensions

Officers and employees of the Corporation participate in the Civil Service Superannuation Fund. The Corporation follows the same practice for reporting its pension expense and obligations as the Government of the Province of Manitoba. Pension expense is recorded when pension disbursements are made to retired employees. As no pension disbursements were required to be made for the six months ended June 30, 1989, the Corporation has not recorded any pension expense for this period. Provision has not been made in the accounts to fund current or past service obligations to the Fund. An actuarial evaluation has not been made to determine the extent of any unfunded liability existing for the Corporation's officers and employees. Responsibility for pensions for employees remaining in the employ of the Government of the Province of Manitoba has become that of their current employer.

c) Recoveries from Crown corporations

The Corporation assesses fees pursuant to The Crown Corporation Accountability Act and the related Order-in-Council to recover its costs, as shown in the Statement of Expenses and Recoveries, from designated Crown corporations.

2. **Significant accounting policies** (continued)

c) Recoveries from Crown corporations (continued)

Services paid for by the Government of the Province of Manitoba and provided to the Corporation at no charge are not included in those costs. The services included accommodation, furniture and office equipment. Management estimated the value of the services to have been approximately $5,000 per month. These services were provided at no charge until June 30, 1988. After that date the Corporation incurred the cost of those services and included them in the Statement of Expenses and Recoveries.

Professional and administrative services provided by the staff of the Department of Crown Investments at no charge to the Corporation are also not included in the costs recorded in the Statement of Expenses and Recoveries. Management estimated the cost of those services to have been a minimal amount. The arrangement concluded early in 1988, when the Department ceased operations.

The Corporation undertakes to provide certain professional and other services to specific Crown corporations. The costs of these services are recovered from the specific Crown corporations. The costs and recoveries are included in accounts receivable and have been excluded from the Statement of Expenses and Recoveries. For the six months ended June 30, 1989, the costs incurred for services undertaken on behalf of specific Crown corporations amounted to $278,880 which has been fully recovered. In 1988 costs of $1,115,802 were incurred of which $91,130 was shown as accounts receivable on the Statement of Financial Position.

d) Fixed Assets

Furniture and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful life of five years.

3. **Furniture and equipment**

| | 1989 | 1988 |
|---|---|---|
| Furniture and equipment at cost | $ 51,713 | $ 39,087 |
| Less accumulated depreciation | 11,311 | 6,140 |
| | $ 40,402 | $ 32,947 |

4. **Accounts payable and accrued liabilities — Province of Manitoba**

The Government of the Province of Manitoba approved the recovery of the expenditures of the Department of Crown Investments for the fiscal year ended March 31, 1988 from Crown corporations. The Corporation has assumed responsibility for the administration of the recovery of the expenditures and the remittance of the recoveries to the Province. **Accounts payable and accrued liabilities — Province of Manitoba** includes an amount of $181,528 (1988 — $505,010) with respect to expenditures of the Department of Crown Investments incurred to March 31, 1988.

5. **Share capital**

The Corporation may issue shares only to the Minister of Finance of Manitoba. The authorized share capital of the Corporation consists of ten million common shares without par value. No shares have been issued.